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- .1 Group Home Rate Determination Process - General Overview
- .11 The Department shall determine the RCL for each nonprofit group home program utilized for AFDC-FC placements to set a rate using the standardized schedule of rates.
- .111 For the period of Fiscal Year 1992-93 from January 1, 1993, through June 30, 1993, the Department shall establish a rate for a group home which changes status from for-profit to nonprofit if the following requirements are met:
- (a) The group home program had a rate established prior to January 1, 1993, as a group home organized and operated as an unincorporated proprietorship, a partnership, or a for-profit corporation;
 - (b) The group home has organized and is operating on a nonprofit basis as of January 1, 1993; and
 - (c) The documentation in Section 11-402.354 has been submitted by January 1, 1993.
- .12 The RCL shall be determined using points which measure the number of weighted eligible hours per child per month of CCS, Social Work Activities, and Mental Health Treatment Services.
- .121 For program classification, only those hours in the program components of CCS and Social Work Activities funded through the AFDC-FC program and unrestricted private donations shall be used to calculate program classification points.
- .122 Program hours shall be allocated based on an empirical allocation methodology which shall account for eligible and ineligible AFDC-FC program hours. The allocation methodology used to determine the total number of hours which are eligible for program classification points shall include, but not be limited to, the following: eligible and ineligible program classification funding sources; or eligible and ineligible service hours in child care and social work; or the number of AFDC-FC eligible children versus ineligible children; or an allocation based on square footage or any other allocation methodology agreed to in advance of the beginning of the fiscal year between the Department and the provider.
- .13 The number of points determine the RCL for each group home program.

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- .14 There is a corresponding standard rate for each RCL.

- .15 The standardized schedule of rates for fiscal year 1990-91 is specified in Welfare and Institutions Code Section 11462(g). Beginning in FY 1994-95, Welfare and Institutions Code Section 11462(e)(3) specifies that the rate floor is equal to the standard rate for each rate classification level (RCL) for the 1994-95 fiscal year and beyond.

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- .151 Welfare and Institutions Code Sections 11462(e)(3) and (g) provide:

Rate Classification Level	Point Ranges	Standard Rate beginning FY 1994-95
1	under 60	\$1,183
2	60- 89	1,478
3	90-119	1,773
4	120-149	2,067
5	150-179	2,360
6	180-209	2,656
7	210-239	2,950
8	240-269	3,245
9	270-299	3,539
10	300-329	3,834
11	330-359	4,127
12	360-389	4,423
13	390-419	4,720
14	420 & up	5,013

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- .16 The standardized rate schedule for fiscal year 1990-91 shall be adjusted by an amount equal to the California Necessities Index (CNI) for fiscal years 1991-92 and 1992-93.
- .17 Beginning with fiscal year 1993-94, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI, subject to the availability of funds.
- .18 Requirements of rate classification levels (RCLs) of 13 or 14:
 - .181 The group home program shall meet all of the following requirements:
 - (a) Generate sufficient points to be classified at RCL 13 or RCL 14;
 - (b) Agree not to accept any child unless the child is either an assessed/qualified child, as defined in Section 11-400a.(1), or an emergency placement, as defined in Section 11-400e.(2); and
 - (c) Meet the certification requirements of a Certified Group Home Program, as defined in Section 11-400c.(2).
 - .182 The determination that a child is an assessed/qualified child and the approval for placement of an AFDC-FC funded child shall be completed, in writing, by an Interagency Placement Committee (IPC), except as follows:
 - (a) Group home providers may accept seriously emotionally disturbed children who are assessed and placed out-of-home pursuant to an Individualized Education Program (IEP) in lieu of being assessed and approved for placement by the IPC. An IEP developed under Section 7572.5 of the Government Code shall be deemed to have met the IPC requirements for approval for placement if it contains the following:
 - (1) The IEP must indicate that the child has been determined to be seriously emotionally disturbed; and
 - (2) The IEP must indicate the child is in need of the level of care provided by the group home program.

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- (b) For a child whose referral into a group home program classified at RCL 13 or RCL 14 is not from a public agency and no public funds are involved, placement into a group home program classified at RCL 13 or RCL 14 shall not occur unless the child has been assessed. The assessment to determine whether the child is seriously disturbed and in need of the level of care and supervision provided by the group home program shall be completed by a licensed mental health professional.
 - (1) There shall be no requirement for either an assessment by the IPC or for a determination of need.
- (c) A child whose placement is county-only funded shall not be placed in a group home program classified at an RCL 13 or RCL 14 unless the child has been assessed by a licensed mental health professional. The child must be assessed as seriously emotionally disturbed and in need of the level of care and supervision provided by the group home program classified at RCL 13 or RCL 14.

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- (d) Welfare and Institutions Code Sections 11462(g)(3)(B)(i) through (g)(3)(B)(iii) as amended by Assembly Bill 1727 (Chapter 610, Statutes of 1991) for fiscal year 1991-92 are summarized as follows:
 - (1) For Fiscal Year 1991-92 only, the determination that any children, regardless of funding source, are assessed and the approval for placement shall be made by the local mental health program who will certify each child, except as follows:
 - (A) The child was in placement prior to the date of the 1991-92 mental health treatment program certification provided the group home program met all the following conditions:

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- (i) The group home program provided the level of care and services during the 1990-91 Fiscal Year necessary to generate sufficient points in the rate setting process to be classified at RCL 13 or RCL 14; and
 - (ii) The group home provider projected the program would provide such level of care and services in the 1990-91 and the 1991-92 Fiscal Years rate applications.
- (e) Welfare and Institutions Code Section 11462(g)(3)(B)(i)(III) as amended by Senate Bill 307 (Chapter 714, Statutes of 1992) is summarized as follows:
 - (1) The determination and placement approval by the IPC shall not be required if all the following conditions are met:
 - (A) The child was certified to be assessed by the local mental health program during the 1991/92 Fiscal Year;
 - (B) The child was placed in the group home program prior to July 1, 1992;
 - (C) The group home program was certified as meeting the local mental health program's criteria for the 1991/92 Fiscal Year;
 - (D) The group home program was paid a rate at RCL 13 or RCL 14 during the 1991/92 Fiscal Year; and
 - (E) The group home program applied for classification at RCL 13 or RCL 14 on the 1992/93 Fiscal Year rate application.

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- (f) Welfare and Institutions Code Sections 11462(g)(3)(B)(iii)(I) and (II) as amended by Senate Bill 307 (Chapter 714, Statutes of 1992) are summarized as follows:
- (1) For Fiscal Year 1992-93 only, if a county did not yet have an IPC, or if a county had an IPC but procedures were not yet in place, the placing agency could, until December 15, 1992, make placements in RCL 13 or RCL 14 group home programs prior to December 15, 1992 if the condition in Section 11-402.182(f)(1)(A) is met.
- (A) A licensed mental health professional makes a determination prior to placement that the child is assessed; and
- (B) Within 30 days of the establishment of the IPC or the adoption of procedures for the committee, the committee shall review such placements as to their appropriateness.

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- .183 If an AFDC-FC funded child who is placed does not have written approval from the IPC for placement:
- (a) The group home provider shall notify within 24 hours of discovery the county placing agency, in writing, and shall request the county to either obtain approval from the IPC or remove the child from the group home program.
- (b) If the county placing agency fails to either obtain approval for placement of the child from the IPC or remove the child from the group home program within 30 days from the date of the notice from the group home provider, as required in Section 11-402.183(a) the group home provider shall:
- (1) Notify the county placing agency and the Department, in writing, within 5 days after the expiration of the 30-day approval or removal period, of the county's failure to remove the child from the group home program.
- (A) The 30-day approval or removal period begins on the date of notification by the group home provider to the county that the child has not been approved for placement.

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- (c) If the county placing agency fails to either obtain approval for placement of the child from the IPC or remove the child from the group home program within 30 days, the county shall be assessed a penalty by the Department:
 - (1) The penalty shall be in the amount of the state and federal financial participation in the AFDC-FC rate paid on behalf of the child.
 - (2) The penalty will commence on the 31st day of placement and continue until the child is removed.
 - (d) If the group home provider fails to notify the county placing agency as required by Section 11-402.183(b)(1), the group home provider shall be assessed a penalty:
 - (1) The penalty shall be assessed against the group home provider by the county in the amount of the AFDC-FC rate paid on behalf of the child;
 - (2) The penalty shall commence on the 31st day of placement and shall continue until the provider notifies the county placing agency.
- .184 For the emergency placement of a child into a certified group home program classified at RCL 13 or RCL 14 prior to determination that the child qualifies as an assessed/qualified child:
- (a) Within 72 hours of the emergency placement in the group home program, a child receiving AFDC-FC funding, shall be evaluated, in writing, by a licensed mental health professional as being seriously emotionally disturbed and in need of the level of care and supervision provided; and
 - (b) Within 30 days of the emergency placement, the IPC shall determine if the child qualifies as an assessed/qualified child.
 - (1) For the child whose placement is determined to be appropriate, the IPC shall transmit approval, in writing, to the county placing agency and to the group home provider;

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- (2) For the child whose placement is determined not to be appropriate, the county placing agency shall immediately remove the child.

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- (c) Welfare and Institutions Code Sections 11462(g)(3)(B)(iv) through (g)(3)(B)(v) amended by Assembly Bill 1727 (Chapter 610, Statutes of 1991) are summarized as follows:

- (1) For Fiscal Year 1991-92 only, within 72 hours of the emergency placement in the group home program, the child shall be evaluated by a licensed mental health professional as being seriously emotionally disturbed and in need of the level of care and supervision provided; and

- (A) Within 30 days of the first day of placement, the group home provider shall obtain for each child who has been determined to need emergency placement the certification by the local mental health program.

- (B) For the child whose placement is determined not to be appropriate, the county placing agency shall remove the child.

.185 In such cases that the State Department of Mental Health or a delegated county terminates the mental health treatment program certification as referenced in Section 11-400c.(2), the Department of Mental Health or delegated county should immediately notify the California Department of Social Services (CDSS).

- (a) Notification shall be made to the CDSS' Community Care Licensing Division; and
- (b) Notification shall be made to the CDSS' Foster Care Rates Bureau.

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- .186 The program certification issued by the State Department of Mental Health or its designee shall be valid for a period of one year unless terminated and shall specify the date the group home program met the certification requirements.
- .187 In such cases that the mental health treatment program certification as referenced in Section 11-400c.(2) is terminated, the group home provider shall within 24 hours:
- (a) Notify the CDSS' Community Care Licensing Division;
 - (b) Notify the CDSS' Foster Care Rates Bureau; and
 - (c) Notify all placing agencies that have children placed in the program.
- .19 The IPC shall review the placement of the child as often as necessary, but no less than every six months.
- .191 The IPC may, subsequent to the placement of the child in a group home program classified at RCL 13 or RCL 14, determine that the child is not seriously emotionally disturbed or is not in need of the care and services provided by the group home program. If the IPC determines that the placement into the group home program classified at RCL 13 or RCL 14 is not appropriate or that the child no longer needs, or is not benefitting from, placement in an RCL 13 or RCL 14 program, the IPC shall require the removal of the child and a new disposition. In these situations, the IPC shall notify, in writing, both the county placing agency and the group home provider within ten days of the determination.
- (a) The county placing agency shall notify the group home provider, in writing, within five days from the date of the notice from the IPC of the county's plan for removal of the child.
 - (b) The county placing agency shall remove the child from the group home program within 30 days from the date of notice from the IPC.

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- (c) If the county placing agency fails to remove the child within 30 days from the date of notice from the IPC, the group home provider shall:
 - (1) Notify the IPC and the Department, in writing, that the county failed to remove the child within 30 days from the date of the notice from the IPC; and
 - (2) The notification shall be within 5 days of the expiration of the 30-day period.
- (d) If the county placing agency fails to remove the child from the group home program within 30 days from the date of the notice from the IPC, the county shall be assessed a penalty by the Department.
 - (1) The penalty shall be in the amount of the state and federal financial participation in the AFDC-FC rate paid on behalf of the child.
 - (2) The penalty will commence on the 31st day of placement and continue until the child is removed.

.192 For a child placed in a group home program classified at RCL 13 or RCL 14 that is later placed in another group home program classified at RCL 13 or RCL 14, a new determination by the IPC shall be required.

.2 Program Classification

.21 Eligible Hours for Program Components

.211 Child Care and Supervision (CCS)

- (a) Eligible hours of CCS shall be compensated in accordance with the Department of Industrial Relations rules and regulations (see Industrial Welfare Commission Order No. 5-89, Title 8, California Code of Regulations, Section 11050) and shall be determined by counting paid-awake hours of child care workers and first-line supervisors while performing child care duties.
 - (1) Each group home program shall be required to provide child care duties and report eligible CCS hours.

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- (A) Eligible hours of social work activities performed under the terms of a direct contact contract which are given the additional weighting of 2.0 [see Section 11-402.222(d)] shall be doubled to determine an individual's hours for the 54-hour limit.

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- (B) Example: An LCSW provides five hours of social work activities under the terms of a direct contact contract. The weighted social work hours for this individual prior to application of the additional 2.0 direct contact contract weighting are 12.5. However, after applying the additional 2.0 weighting the total weighted hours increases to 25. In determining the individual's hours for the 54-hour limit, 25 hours shall be countable.

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- (2) Hours of vacation, sick leave, training time or other types of leave shall be counted at the time paid. These hours are not subject to the 54-hour limitation.
- (3) No more than 54 hours per week per individual child care worker and individual first-line supervisor for any program(s) shall be projected on any Program Classification Report(s), SR 2 (Rev. 12/94) Column 2, line 16.
- (4) More than 54 hours per week per individual child care worker and individual first-line supervisor for any program(s) may be reported on any SR 2(s) (Rev. 12/94) Column 2, lines 1 through 12 when:
 - (A) The employee was required to work the additional hours of CCS to prevent children from being in an unhealthy or unsafe situation, and
 - (B) The employee was compensated for the additional hours of CCS in a manner consistent with the Department of Industrial Relations, and
 - (C) The employee was not required to work in excess of 54 hours on a regular basis.
- (5) Hours shall be allocated as required by the August 30th Report, page 5.

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- (A) The August 30th Report, Page 5, ALLOCATION OF HOURS AMONG FUNCTIONS, states:

"ALLOCATION OF HOURS AMONG FUNCTIONS

Some group home staff perform more than one function. For the program classification purposes, the group home provider will be required to allocate the hours worked by such staff among the various functions they perform.

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For example, the administrator of a group home also spends part of his/her time performing social work activities and supervising child care staff. The provider states that the administrator typically works a 60-hour week, spending 30 hours performing administrative tasks, 15 hours performing Social Work Activities, and 15 hours supervising child care workers. The allocation of the administrator's time is 50% for administration, 25% for social work, and 25% for child care and supervision. The time spent on administration does not fall into one of the three program components and cannot be counted for program classification purposes. Given the 54- hour cap, 13.5 hours (25% of 54 hours) can be counted for program classification purposes as Social Work Activity and 13.5 hours can be counted as Child Care and Supervision. These hours can be weighted to reflect the administrator's experience, education, ongoing training, and professional qualifications."

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- (B) A program shall allocate the hours worked by administrative staff among the following:
- (i) Administrative functions;
 - (ii) Child care and supervision;
 - (iii) Social work activities;
 - (iv) Mental health treatment; and
 - (v) Other employment.
- (C) All administrator's, as defined in California Code of Regulations, Title 22, Sections 80001(a)(1) and 84064, and facility manager's, as defined in Health and Safety Code Section 1522.4(a), work hours per week shall be allocated to administrative functions subject to the following requirements:

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- (i) A program may report hours worked by administrators and facility managers towards program classification so long as the reported hours are allocated in accordance with Sections 11-400e.(1), 11-402.211(a)(5), 11-402.212(a)(4) and documentation is provided to verify the administrative staff person provided hours that are eligible for program classification.
- (ii) If a group home program does not allocate administrator's and facility manager's work hours in accordance with Section 11-402.211(a)(5)(C)(i), the following shall apply:
 - a. For a six-bed program, a minimum of 20 hours per week per administrator and facility manager shall be allocated to the administrative functions related to the operation of a group home program such as ensuring compliance with licensing requirements; and
 - b. For a program greater than six beds, 100 percent of the administrator's and facility manager's time shall be allocated to the administrative functions related to the operation of a group home program such as ensuring compliance with licensing requirements.

- (6) Eligible hours do not include hours of care and supervision given solely to children living with their minor parent(s) and receiving an infant supplement payment.

.212 Social Work Activities

- (a) Eligible hours of social work activities shall be compensated in accordance with the Department of Industrial Relations rules and regulations (see Industrial Welfare Commission Order No. 5-89, Title 8, California Code of Regulations, Section 11050) and shall be determined by counting the paid-awake hours of social work activities performed by social workers.

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- (1) Hours of vacation, sick leave, or other types of employee leave shall be counted at the time paid. These hours are not subject to the 54-hour limitation.
- (2) No more than 54 hours a week per individual social worker for any program(s) shall be projected on any SR 2(s) (Rev. 12/94) Column 2, line 16.
 - (A) Eligible hours of social work activities performed under the terms of a direct contact contract which are given the additional weighting of 2.0 [see Section 11-402.222(d)] shall be doubled to determine an individual's hours for the 54-hour limit.

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- (B) Example: An LCSW provides five hours of social work activities under the terms of a direct contact contract. The weighted social work hours for this individual prior to application of the additional 2.0 direct contact contract weighting are 12.5. However, after applying the additional 2.0 weighting the total weighted hours increases to 25. In determining the individual's hours for the 54-hour limit, 25 hours shall be countable.

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- (3) More than 54 hours a week per individual social worker for any program(s) may be reported on any SR 2(s) (Rev. 12/94) Column 5, lines 1 through 12 when:
 - (A) The social worker was compensated for the additional hours of social work activities in a manner consistent with the Department of Industrial Standards, and
 - (B) The social worker was not required to work in excess of 54 hours on a regular basis.
- (4) Hours shall be allocated as required by the August 30th Report as specified in Section 11-402.211(a)(5).
- (5) A group home employee functioning as an existing social worker shall be considered a social worker and have his/her hours counted as social work activities if:
 - (A) The employee has been identified and claimed as a social worker in the same program under the cost-based rate setting system prior to July 1, 1990, and
 - (B) The employee does not meet the degrees and equivalents as defined in Section 11-400s.(4).
- (6) Family reunification activities and services provided solely to the family that are not in direct relation to the child's case plan shall not be counted as eligible social work activity hours.

.213 Mental Health Treatment Services

- (a) Eligible hours of mental health treatment services shall be determined by counting the paid-awake hours of the licensed mental health professional while providing mental health treatment services.

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- (1) Hours shall be allocated as required by the August 30th Report and as specified in Section 11-402.211(a)(5).
- (2) Hours that include other staff, such as child care workers, social workers or group home administrators, etc., are counted when the child is also included.
- (3) The licensed mental health professional's time is counted, not the child's time.

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- (A) A licensed mental health professional in a one-hour group session with four children is counted as one hour of mental health treatment time.

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- (4) One hour shall be counted for the licensed mental health professional's evaluation of each psychometric test administered by the licensed mental health professional.

.22 Weightings for Program Component Hours**.221 Child Care Supervision (CCS) Weightings**

- (a) Each child care worker and first-line supervisor shall have a base factor of 1.0 for each eligible hour.
- (b) Additional weighting shall be given to each eligible CCS hour on the basis of the experience and/or education of individual staff or the provision of on-going training by the provider for child care workers and first-line supervisors. The maximum additional weighting for any staff is 0.75.
 - (1) Child care and supervision hours shall not be eligible for double weighting.
- (c) Residential Child Care Experience
 - (1) Each child care worker and first-line supervisor shall receive additional weighting for previous paid-awake experience in residential child care specified in Section 11-400r.(6) as follows.

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- (A) Twenty-four (24) through 47 months of full-time equivalent (FTE) experience shall qualify for additional weighting of 0.15.
- (B) Forty-eight (48) months or more of full-time equivalent (FTE) experience shall qualify for additional weighting of 0.25.

(d) Formal Education

Each child care worker and first-line supervisor shall receive additional weighting for each eligible hour of CCS based on his/her formal education as follows:

- (1) Sixty (60) semester units or its equivalent as listed below shall receive an additional weighting of 0.05.
 - (A) An Associate of Arts or Science Degree that requires less than 60 units for completion, or
 - (B) A certificate in a subject directly related to child care that requires less than 60 semester hours but more than 20 semester hours in courses that deal with child related subjects.
 - (C) A certificate in a subject directly related to drug and alcohol programs from an accredited course of study that requires less than 60 semester hours when:
 - (i) The individual is employed by a group home program with the criteria described in Section 11-402.411(a)(6), and
 - (ii) The course of study gave the individual the choice of either track, i.e., the Associate of Arts Degree or the certification program.
 - (iii) Certificates include but are not limited to the following: alcohol and/or drug counseling, dependency specialist, or abuse studies.
- (2) A Bachelor of Arts or Science Degree in a major that is not related to the behavioral sciences shall receive an additional weighting of 0.10.

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- (3) A Bachelor of Arts or Sciences Degree in one of the behavioral sciences specified in Section 11-400b.(4) or other equivalent disciplines listed in Section 11-402.221(d)(3)(A), (B), or (C) relevant to the provision of services to foster care children to be served by the group home program shall receive an additional weighting of 0.25.
 - (A) A certificate from the California Association of Alcohol and Drug Abuse Counselors as a Certified Alcohol Counselor, Certified Drug Counselor or Certified Alcohol and Drug Counselor based on an accredited course of study plus the required supervised experience when the program statement specifies the population of children to be served by the program requires this professional level.
 - (B) A certificate directly related to drug and alcohol programs from an accredited course of study that requires 60 semester hours or more but less than four years may receive the additional weighting when:
 - (i) The individual is employed by a group home program, which accepts chemically addicted children as described in Section 11-402.411(a)(6), and
 - (ii) The course of study gave the individual the choice of either track, a Bachelor's Degree, or the certificate program.
 - (C) A vocational training certificate or credential or documentation stating the individual is a trade journeyman and instructs vocational skills to children in a vocational program as described in Section 11-402.411(a)(6)(A).
- (4) A Master's Degree in a behavioral science specified in Section 11-400b.(4) or other equivalent discipline listed in Section 11-402.221(d)(4)(A) shall receive an additional weighting of 0.40.

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- (A) The individual teaches vocational skills to children in placement, and the provider:
 - (i) Has documentation showing the individual is a licensed contractor, or
 - (ii) Has documentation showing the individual is a journeyperson in more than one vocational trade.
- (e) On-Going Training
 - (1) Each eligible hour of CCS shall receive an additional weighting of 0.10 when an average of 40 or more hours of on-going training per person (full-time equivalent [FTE]) per year is provided. See definition of on-going training at Section 11-400o.(2).
 - (2) The number of hours of on-going training required by a group home program to qualify for the additional weighting shall be computed by:
 - (A) Determining the number of FTE CCS staff by: dividing the total number of eligible CCS hours by the number of full-time hours in the same time period (i.e., 40 hours per week or 173 hours per month) and
 - (B) Multiplying the number of FTE CCS staff by 40.

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- (C) Example: The ABC group home has five child care workers who work from 15 to 54 hours per week and one full-time first-line supervisor. The combined number of hours they are expected to work in the next 12-month period is 12,636. Divide the hours worked by 2080 (annualized full-time equivalent based on a 40-hour work week) = 6.075 FTE. Multiply the 6.075 FTE by 40 hours per employee = 243 hours of training the provider must provide for all eligible CCS hours to be weighted by the additional 0.10.

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- (D) An example of eligible allocated hours counted toward on-going training is: Helen is the cook in the ABC group home program, but for two hours each afternoon she has responsibility for supervising a group of children. She meets the CCL requirements for a child care worker. The hours of training she receives, relevant to her child care duties, are countable for the training time furnished by the provider toward the additional CCS weighting of 0.10 for all CCS hours.

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- (3) The following types of training shall qualify as on-going training for weighting purposes.
- (A) All training required by Community Care Licensing (CCL) for child care workers as specified in Title 22, Division 6, Sections 84065(h)(1) and 80065(e)(2).

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- (i) Section 84065(h)(1) states in part: "...child care staff (shall be required) to receive...a minimum of 20 clock hours of continuing education during the first 18 months of employment and during each three years thereafter."
- (ii) Section 80065(e)(2) states: "Adults who supervise while clients are using a pool or other body of water from which rescue requires the rescuer's ability to swim, shall have a valid water safety certificate."

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- (B) The training shall be directly related to the individual's child care worker duties, the group home program, or the needs of children in care.
- (4) Audio or video tape training shall be counted provided:
 - (A) It is used within the structure of a group training setting.
 - (B) The subject is introduced in person by a qualified individual, and
 - (C) Audience interaction with the qualified individual is available.
- (5) Audio or video tape training shall not qualify when the provider supplies the training package and sends it home with individual employees to view on their own time.
- (6) The on-going training hours for a group home program shall be allocated among all staff.
- (7) For those group home programs classified at RCL 13 or RCL 14 to receive an additional weighting of 0.10 for each eligible hour of Childcare and Supervision (CCS), there shall be two options. In addition to qualifying by providing an average of 40 or more hours of ongoing training per childcare employee, the requirement for receiving the additional weighting shall be met if the childcare and first line childcare supervisory staff is trained in the management of assaultive behavior, and all the following conditions are met:
 - (A) The training must be at least 14 hours in length;
 - (B) The training must be conducted by a professional organization or someone trained and currently certificated by a professional organization as a qualified instructor, and approved by the Department;
 - (C) The entire childcare and CCS staff must complete the training and remain certified and the certifications must be current; and

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- (D) Documentation necessary to verify training as described in Section 11-400t.(1) and documentation that the requirements of Section 11-402.221(e)(7) have been met shall be maintained. In addition, if a provider chooses to claim additional points for training and selects this option, in lieu of submitting a training plan the provider shall submit the name of the professional organization providing the training, when it will be scheduled and the names of childcare staff the provider has scheduled to attend.

.222 Social Work Activities Weightings

- (a) Weightings shall be given to each eligible hour of social work activity based on the professional level of each social worker as specified in the August 30th Report, page 3.

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The August 30th Report states in part:

"(1)	Licensed Clinical Social Worker (LCSW)	2.5
(2)	Licensed Marriage, Family and Child Counselor (LMFCC)	2.5
(3)	Master's of Social Work (MSW) (60 units)	2.0
(4)	Master's of Science in Counseling (MSC) (60 units)	2.0
(5)	Master's (30 units) in a discipline which would enable the individual to sit for the LMFCC or LCSW exam.	1.75
(6)	Bachelor of Social Work (BSW) with at least two years of full-time equivalent experience.	1.5"

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- (b) In addition to the above weightings, each eligible hour of social work activity performed by a group home employee who meets the requirements of Section 11-402.212(a)(5) shall be eligible for the weighting of 1.5.
- (c) All individuals, whether employee or under contract, receive the same weighting for their professional level.
- (d) Each weighted eligible hour of social work activities provided under the terms of a direct contact contract shall be multiplied by 2.0 subject to the following restrictions:
 - (1) The contract only reimburses for those hours spent in direct contact with the child(ren) being served and does not reimburse for ancillary social work activities, such as the development of needs and services plans or discharge plans;
 - (2) A maximum of 20 hours per week per social worker, of the contracted direct contact social work activities shall be multiplied by 2.0.
 - (3) The person providing the social work activities is not an employee of the group home provider and meets the requirements of an independent contractor as specified in Section 11-400d.(4).
 - (A) The relationship between the group home provider and the individual providing social work activities shall be evaluated by several factors, including but not limited to:
 - (i) The group home has no control over the manner and means by which the individual providing the social work activities performs his/her services.
 - (ii) The payment for social work activities performed is based on completion of the specifics in the contract.
 - (iii) The group home provider and the individual providing the social work activities do not view the work relationship as one of employee/employer.

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- .232 The weighted hours for each program component shall be totaled separately.
- .233 The separate program component's weighted hours shall be divided by the greater of 90 percent of the licensed capacity of the group home program or 5.4 to determine each of the program component's point scores except as provided below:
- (a) When the licensed capacity includes an unspecified mixture of children and minor parents and their infants in placement, divide the number of weighted hours by 90 percent of the total number of minor parents and other nonparent minors excluding child(ren) living with his/her minor parent in placement. This applies only to such programs where the licensed capacity includes the children receiving an infant supplement.
- .234 Providers shall report the actual number of mental health treatment services points per child, per month, for each program on an SR 2 (Rev. 12/94).
- (a) The mental health point score shall be determined as follows:
 - (1) The actual number of eligible mental health treatment services hours provided shall be reported for each month.
 - (2) The appropriate weightings shall be applied to the eligible hours and reported for each month.
 - (3) The number of weighted hours shall be divided by 90 percent of licensed capacity to determine the number of points and reported for each month.
 - (4) The total number of mental health treatment services points for the report period shall be reported.
 - (5) The average number of mental health treatment services points for the report period shall be reported.
 - (b) The mental health treatment services points for children enrolled in a full-time mental health day treatment program shall be the ratio of the number of children in day treatment to the group home program's total licensed capacity. These mental health treatment services points for that month shall be reported without documenting hours, license, or professional level of the licensed mental health professional. See Section 11-402.239(c).

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- (c) The Department shall limit the mental health treatment services points to be counted in any one month to 60.
- (d) The Department shall limit the average points for mental health treatment services to 30 per month.
- .235 The point scores from each of the three program components shall be totaled to determine the program points.
- .236 The RCL shall be determined by comparing the program's points to the table of standardized schedule of rates in Section 11-402.15.
- .237 The projected points shall be the average for the level of care and services to be provided over the 12-month period.
- .238 The reported points shall be the actual number of points in each month which represent the level of care and services provided over the 12-month reporting period.

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- .239 An example of a group home program point computation:
 - (a) CCS point computation
 - (1) The XYZ group home program is licensed for six children and has four full-time equivalent child care workers. The provider has a training plan of more than 40 hours of training for the child care workers and first-line supervisors (0.10 additional weighting for each eligible CCS hour). Each child care worker and first-line supervisor has 1.35 total weightings. Two examples are:
 - (A) Irma has five years of residential child care experience (additional weighting of 0.25) and 15 semester units of college (no additional weighting) for 1.35 total weighting (1.0, base factor + 0.10, on-going training + 0.25, experience).
 - (B) Irene has one year of child care experience (no additional weighting) and a Bachelor's Degree in Sociology (0.25 additional weighting) for 1.35 total weighting (1.0, base factor + 0.10, on-going training + 0.25, education).

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- (2) Total CCS hours are 866.6 (50 average hours per week X 4 individuals X 4.333). The total weighted CCS hours per month are 1,169.91 (866.6 X 1.35); divided by 5.4 = 216.65.
- (b) Social work point computation:
- (1) The same group home program currently employs a Licensed Clinical Social Worker (LCSW) for 20 hours per week or 86.67 hours per month (20 X 4.333).
- The weighted social work hours per month for this social worker are 217.5 (87 X 2.5).
- (2) Another LCSW provided direct contact social work activities based on a contract for 80 hours per month.
- The weighted social work hours per month for this social worker are 400 (80 hours X 2.5 professional level weighting X 2.0 "direct contact" contract additional weighting).
- (3) Total social work weighted points are 617.5 (217.5 + 400), divided by 5.4 for 114.35 points attributed to social work.
- (c) Mental health point computation:
- (1) The group home program averages six children in placement per month:
- (A) Two children in a mental health day treatment program;
- (B) Three others seen by a psychologist in a group therapy session at the group home for one hour a week; and
- (C) One other seen in private sessions in a clinic two hours a week by a psychiatrist.

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- (2) The weighted mental health hours are:
 - (A) For mental health day treatment: two children = $\frac{2}{6}$ of the maximum mental health points (30) for a total of 10.
 - (B) For the psychologist: Four hours X 5.0 professional weighting = 20 weighted hours per month.
 - (C) For the psychiatrist: Eight hours per month X 5.0 professional weighting = 40 weighted hours.
- (3) Total mental health points are: 20 (psychologist) + 40 (psychiatrist) = 60 divided by 5.4 = 11.11 + 10 (day care) = 21.11.
- (d) Total point computation:
 - (1) Add the points for CCS (216.65), social work activities (114.35) and mental health treatment services (21.11) for a total of 352.11.
 - (2) The XYZ program total points are 352 which is in Rate Classification Level 11.

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.3 Group Home Annual Rate Application Process

- .31 Each provider shall submit to the Department a completed rate application as specified in Sections 11-402.35 through 11-402.359, as appropriate, for each program each fiscal year in order to receive a rate for that program.
- .32 The due date for annual rate applications shall be May 1.
 - .321 An application not postmarked by the due date shall be considered late.
 - .322 Providers shall be allowed to request a determination of good cause for submitting a late application as specified in Section 11-402.37.

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- .323 Providers who do not request a determination of good cause for submitting a late application shall be subject to the penalty provisions specified in Section 11-402.38.
- .33 A rate application shall be considered complete when all required forms have been completed with the necessary information and supporting documentation, as required in Section 11-402.35 needed to determine the RCL, have been submitted to the Department.
- .331 Providers shall be allowed to request a determination of good cause for submitting an incomplete application as specified in Section 11-402.37.
- .34 The effective date of the rate for timely and complete rate applications shall be July 1.
- .35 An annual rate application with no program changes shall include:
 - .351 A complete Group Home Program Rate Application, SR 1 (Rev. 12/94);
 - .352 A complete Program Classification Report, SR 2 (Rev. 12/94);
 - .353 A copy of the license issued by CCL in accordance with Title 22, California Code of Regulations, Division 6, for each facility, if not submitted with a previous rate application;
 - .354 Either of the following if not submitted with a previous rate application:
 - (a) A copy of the Internal Revenue Service (IRS) letter designating the provider as tax exempt; or
 - (b) The following documentation of nonprofit status:
 - (1) An endorsed copy of the group home organization's articles of incorporation, filed with the California Secretary of State, demonstrating the organization:
 - (A) Operates in the public interest for scientific, education, service or charitable purposes;

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- (B) Is not organized for profit making purposes; and
 - (C) Uses its net proceeds to maintain, improve or expand its operations.
- .355 A declaration signed by the group home's board of directors that the organization will operate during the fiscal year in the public interest for scientific, education, service or charitable purposes; is not organized for profit making purposes; and uses its net proceeds to maintain, improve or expand its operations.
 - (a) The group home provider shall immediately notify the Department if the group home ceases to operate on a nonprofit basis.
- .356 The group home training plan projected for a fiscal year or for providers with programs classified at RCL 13 or 14 who opt for the management of assaultive behavior training, the information required in Section 11-402.221(e)(7);
- .357 A certification by the provider that all information contained in the program statement previously submitted remain current with no changes; and
- .358 In addition to the items in Sections 11-402.351 through .357, a group home program classified at RCL 13 or RCL 14 shall submit:
 - (a) A written agreement, that the program shall accept for placement only assessed/qualified children or emergency placements, as provided in Section 11-402.181(b). The agreement shall include the following:
 - (1) An original signature of the same individual whose signature appears on the SR 1; and
 - (2) The date signed.
 - (b) A statement, accompanied by appropriate documentation, that the requirements of Section 11-402.181(c) regarding the program certification have been met.
- .359 An approval letter from the State Attorney General's Charitable Trust Section. Beginning Fiscal Year 1998/99, this letter shall be required as verification of review and approval of shelter costs which include self-dealing transactions, as defined in Nonprofit Corporation Law, Title 1, Division 2, Section 5233, California Corporations Code.

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- (a) To request a review by the Attorney General's Charitable Trust Section, a provider shall submit a written request by certified mail, return receipt requested, to the Attorney General's Charitable Trust Section for review and approval of the transaction as specified by Title 11, Division 1, Chapter 15, Section 999.1(a), California Code of Regulations.
- (b) Include the approval letter received from the Attorney General's Charitable Trust Section as a component of the rate application package submitted to the Department. If more than sixty (60) days has passed since the submission of the request for approval, and no approval letter has been issued by the Attorney General, then a provisional rate, not to exceed 120 days, shall be set pending receipt of the approval.

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- (c) Section 999.1(a), California Code of Regulations states in part:

“Giving Notice to and Submitting Requests to Attorney General: When Notice or Request is Deemed ‘Filed with Attorney General.’ For purposes of giving notice to the Attorney General or submitting requests for approval or other action to the Attorney General pursuant to any of the subsections contained in sections 999.2 through 999.4 of these Regulations, all notices and requests shall be submitted in writing at the office listed below...

“Attorney General, Charitable Trusts Section
50 Fremont Street, Suite 300
San Francisco, CA 94105-2239

“...Said written notices or requests shall be deemed to be filed with the Attorney General when the notices or requests are received at the office of the Attorney General with the information required by sections 999.2(e), 999.3(e) and 999.4 of these regulation.”
- (d) All applicants needing this review by the Attorney General are urged to submit no later than January 1, 1998 and then by January 1 of the year in which they renew their lease.

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- .36 The following cost-related information shall be provided with the rate application package. All penalties listed for late or incomplete application shall apply to these documents as specified in Section 11-402.38.
- .361 A complete Group Home Program Cost Report, SR 3 (Rev. 11/94);
- .362 A complete Group Home Program Payroll and Fringe Benefit Report, SR 4 (Rev. 10/94) and
- .363 A complete Group Home Program Days of Care Schedule, SR 5 (Rev. 10/94).
- .37 The Department's good cause procedures shall be as follows:
- .371 Providers unable to submit a timely or complete rate application by the due date shall be allowed to submit in writing, a request for a determination of good cause as defined in Section 11-400g.(1) which shall be postmarked within five calendar days of the application due date.
- (a) The request shall contain the following:
- (1) A clear statement that this is a request for determination of good cause.
 - (2) The specific reason(s) for submitting an incomplete or untimely application.
 - (3) The provider's name, address and phone number.
 - (4) The name, address and phone number of the person to be notified regarding the determination of good cause.
 - (5) The name, location and program number of the affected program(s).
- .372 Within 10 calendar days of the postmarked date of the request for a determination of good cause, the Department shall make a determination of good cause and shall notify the provider in writing of the determination.
- (a) When the Department determines there has been good cause for a late or incomplete filing of an application the Department shall notify the provider that a complete application is due within 30 days of the postmark of the notification.

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- (1) For complete applications submitted in accordance with Subsection (a), the effective date of the rate shall be July 1.
 - (2) Applications which are incomplete or are not submitted within the 30-day period in Subsection (a) shall be subject to the penalties in Section 11-402.38.
 - (b) When the Department determines there is no good cause for a late or incomplete filing of an application, the Department shall notify the provider in writing that a complete application must be submitted prior to the first of the next calendar month to avoid additional late penalties.
 - (1) The rate shall be set in accordance with the appropriate late or incomplete application penalties specified in Section 11-402.38.
- .38 The Department's penalty procedures for late or incomplete applications shall be as follows:
- .381 For a late application:
- (a) Submitted after the due date and before June 1, the rate shall be effective August 1 unless:
 - (1) The new rate is less than the old rate, the effective date shall be retroactive to July 1.
 - (b) Submitted on or after June 1 but before July 1, the rate shall be effective September 1 unless:
 - (1) The new rate is less than the old rate, the effective date shall be effective, retroactive to July 1.
 - (c) Not submitted by July 1, the group home program shall be subject to the rate termination process as specified in Section .39.
- .382 For an incomplete application which is later completed:
- (a) After the due date but before June 1, the effective date of the rate shall be the same as for a late application in Sections .381(a) and (a)(1).

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- (b) On or after June 1 but before July 1, the effective date of the rate shall be the same as for a late application in Sections .381(b) and (b)(1).

.383 For an incomplete application that remains incomplete after July 1:

- (a) The rate shall be set based on the limited information available.
 - (1) The effective date of the rate shall be August 1 unless the rate as determined is lower than the current rate, in which case, the date of the rate shall be retroactive to July 1.
- (b) If the rate cannot be set based on the limited information, the Department shall proceed with the rate termination process as specified in .39.
- (c) Notwithstanding Section 11-402.383(a) and (b), any program that refuses to comply with the requirement to submit a complete rate application in accordance with Sections 11-402.35 and 11-402.36 shall have its rate terminated as specified in Section 11-402.39.

.39 The Department's rate termination process shall be as follows:

.391 The Department shall provide notice to the provider of the rate termination date. The notice shall:

- (a) Be in writing,
- (b) Allow 60 days from the postmarked date of the notice prior to termination, and
- (c) Include the provider's appeal rights as specified in Welfare and Institutions Code Sections 11468 through 11468.6.
- (d) A copy of the notice shall be sent to the host county, the primary placing county and any other counties which may be affected by the rate termination and which can be identified by the Department.

.392 On the first of the month following sixty days after the postmarked date of the termination notice, the Department shall terminate the rate for that program.

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- .393 In accordance with Sections 11-402.391 and 11-402.392 the Department shall terminate a group home program rate of any group home which does not meet the requirements of Welfare and Institutions Code Section 11462(a)(3).

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- (a) Welfare and Institutions Code Section 11462(a)(3) states:

"The department shall terminate the rate, effective January 1, 1993, of any group home that is not organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400."

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.4 Deviations from Annual Rate Setting

.41 New Program

- .411 An initial rate application from an existing provider for a new program shall include all required forms and information listed in Sections 11-402.351 through 11-402.358 with the following additional requirements:

- (a) A new and complete program statement shall be submitted with each initial rate application. The program statement shall include the following until such time as a standardized program statement is implemented pursuant to Welfare and Institutions Code Section 11467(c);

- (1) The goals and purpose of the program,
- (2) The characteristics of children served,
- (3) Organizational chart and administrative information including names, addresses and titles of all members of the Board of Directors, all corporate officers, and all partners as appropriate,
- (4) A description of the type and level of social services and mental health treatment services offered,
- (5) A job duty statement for each classification utilized by the group home, and

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- (6) A description of special program services.
 - (A) If applicable, the vocational training program offered within the program.
 - (B) A program which has vocational training for children in placement is one which is designed to impart to the children in placement, the skills necessary for a vocation or trade.
 - (C) A vocational training program shall qualify if the program:
 - (i) Teaches a skill(s) which benefits the child;
 - (ii) Provides instruction which includes hands- on experience and specified quantifiable training goals;
 - (iii) Consumes a percentage of the children's day at regularly scheduled hours;
 - (iv) Sustains costs for qualified staff, costs for equipment, materials and the space required for the training;
 - (v) Is not funded by the Department of Education for the vocational training provided;
 - (vi) Does not provide educational credit to the children in placement;
 - (vii) Is an integral part of the group home program and is not the result of coincidental factors such as hiring of a child care worker(s) or first-line supervisor(s) who happen to have vocational skills; and
 - (viii) Is not transitory and does not depend upon the continued employment of child care worker(s) and first-line supervisor(s).

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- (7) An existing provider operating a group home program in the facility(ies) in which he/she intends to provide a new program shall:
 - (A) Obtain verification from the placement agency that an assessment as described in Section 30-336.5 has been completed on each child to ensure that the level of care and services of the new program meets the needs of the child.

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- (B) Section 30-336.5 states:
 - ".5 Placements in group homes shall be subject to the following additional requirements:
 - ".51 The following conditions shall exist and shall be documented in the assessment:
 - ".511 Placement is necessary to meet the treatment needs of the child.
 - ".512 The group home has a treatment program that meets such treatment needs."

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- (b) Providers who are discontinuing any group home program(s) in favor of a new program shall submit the cost information on forms SR 3 (Rev. 11/94), SR 4 (Rev. 10/94) and SR 5 (Rev. 10/94) using the actual costs for any months of operation of the discontinued program not previously reported as part of the annual rate application process.
- (c) The placement agency recommendation from the host or the primary placing counties as appropriate and as specified in Section 11-425.12.
- (d) A copy of the license issued by CCL in accordance with Title 22, California Code of Regulations, Division 6.

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- .412 The effective date of a new program rate shall be the date the Department receives a complete rate application as specified in Section 11-402.411.
- .413 The rate for a new program shall be the rate floor for that program's projected RCL.
- .414 Applications for new programs which do not meet the requirements of Section .411 shall be subject to Section 11-402.43, Program Changes.
- .42 New Provider
 - .421 A new provider shall be as defined in Section 11-400n(4).
 - (a) For foster care group home rate setting purposes, a new provider shall not be any of the following:
 - (1) The addition of a new program by an existing provider.
 - (2) Any change specified in Section 11-402.43, Program Changes.
 - (3) A change or reorganization in the provider's incorporation and/or a reorganization of his/her administration.
 - (4) A provider who fails to submit an annual rate application for an on-going program.
 - (b) Applications for new providers which do not meet the requirements of this section shall be subject to Section 11-402.43, Program Changes.
 - .422 An initial rate application from a new provider shall include all required forms and information listed in Sections 11-402.351 through 11-402.359, as appropriate, with the following additional requirements:
 - (a) A complete program statement shall be submitted which shall include all the appropriate documentation and information as listed in Section 11-402.411(a).

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- (b) The cost information forms SR 3 (Rev. 11/94), SR 4 (Rev. 10/94) and SR 5 (Rev. 10/94) shall be completed identifying projected costs.
 - (c) Placement agency recommendation from the host or the primary placing counties as appropriate and as specified in Section 11-425.12.
 - (d) A copy of the license issued by CCL in accordance with Title 22, California Code of Regulations, (CCR) Division 6.
- .423 Initial rate application documents shall be submitted to the Department prior to the first placement.
- .424 The effective date of the rate for a new provider shall be the later of:
 - (a) Date of first placement, or
 - (b) Date the Department receives a complete rate application as specified in Section 11-402.422, or
 - (c) Date of licensure.
- .425 The rate for a new provider shall be the floor of the projected RCL.
- .43 Program Changes
 - .431 A program change shall be as defined in Section 11-400p.(7).
 - (a) For purposes of rate setting, a program change shall include a change to:
 - (1) The number of beds for the program, except as follows:
 - (A) The first increase of five or fewer beds in the lifetime of a program with no change to the program's RCL based on the number of points computed in accordance with Section 11-402.23.

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- (i) Calculate the RCL for the program based on the proposed expansion to verify that the RCL after the expansion is the same as the RCL approved by the Department for the program; and
 - (ii) Contact the Department to inform of capacity change and point determination.
- (2) Conditions or limitations described on the license which necessitates submission of a new license application as required by Title 22, Division 6, Section 80034(a).

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A licensee shall file a new application as required by Title 22, Division 6, Section 80018 whenever there is a change in conditions or limitations described on the current license, or other changes including, but not limited to, the following:

- (1) Any change of licensee, including, but not limited to, the following when the licensee is a corporation.
 - (A) Sale or transfer of the majority of stock.
 - (B) Separating from a parent company.
 - (C) Merger with another company.

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- (b) A group home provider shall report any proposed program change to the Department, in compliance with the requirements for program change application specified in Section 11-402.432.
 - (1) The program shall continue to receive the existing rate.
- (c) The Department shall determine the correct RCL for a group home program based on data submitted by the provider in the program change application specified in Section .432. The Department may request additional information to complete the program change application process in accordance with Sections 11-402.524(b)(1) through (3).

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- (d) Failure to report a program change, the result of which is a decreased rate, as described in Section .435, shall result in the assignment of an overpayment and the adjustment of the current rate as appropriate following a program audit as specified in Sections 11-402.5 and .6.
 - (e) The Department shall establish an increase in rate amount only for the first group home program change application for a program for a fiscal year; a subsequent program change shall not affect the program's rate until the following fiscal year unless the change results in a decreased rate.
- .432 An application for an RCL change or a program change shall include:
- (a) A complete Group Home Program Rate Application, (SR 1, Rev. 12/94).
 - (b) A complete Program Classification Report, (SR 2, Rev. 12/94).
 - (c) An amended program statement reflecting the change and containing the elements specified in Sections 11-402.411(a)(1) through (6).
 - (d) Providers making program changes affecting more than one program, that is, discontinuing one program in favor of another as described in Section 11-402.435(c)(1) or otherwise discontinuing a program, shall submit the cost information forms SR 3 (Rev. 11/94), SR 4 (Rev. 10/94), and SR 5 (Rev. 10/94) using actual costs for the program to be discontinued based on the months not previously reported as part of the annual rate application process.
- .433 A program change application projecting an increase of an RCL level to a group home program shall be accompanied by the placement agency recommendation, as specified in Section 11-425.12.
- (a) For program change applications projecting one RCL increase at RCL 12 or lower, the first RCL increase in the lifetime of a program shall not require the placement agency recommendation.

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- (b) A program change application to change a program to RCL 13 or RCL 14 shall include a recommendation, as specified in Section 11-406.12, from either the host or the primary placing county.

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- (c) Welfare and Institutions Code Section 11462(g)(4) as amended by Senate Bill 307 (Chapter 714, Statutes of 1992) is summarized as follows:

Between July 1, 1992, and June 30, 1994, a program change application to change a program to RCL 13 or RCL 14 shall include a recommendation from both the host county and the primary placing county.

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- .434 A program change application shall be submitted prior to the effective date of the change but no later than 30 days after the change.

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.435 The effective date of the rate for program changes, by the type of change, shall be:

- (a) For the RCL which is not changing:
 - (1) For an increase in licensed capacity greater than five in the same or a new facility, the effective date shall be the later of:
 - (A) Date of first placement; or
 - (B) Date of group home license approval.
 - (2) For a decrease in licensed capacity, the effective date shall be the date of the decrease.
- (b) For the RCL which is changing:
 - (1) For a decrease in RCL, the effective date shall be the date implementing operation of the program at the lesser RCL.
 - (2) For an increase in RCL, the effective date shall be the later of the provider's proposed effective date on the Group Home Program Rate Application, SR 1 (Rev. 12/94) submitted for the program change or 30 days after the postmark on the program change application.
- (c) For changes affecting more than one program operated by one or different providers, the effective date shall be the later of the provider's proposed effective date on the SR 1 (Rev. 12/94) form(s) or 30 days after the postmark on the program change application(s).

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Examples of these changes are:

- (1) Discontinuing one group home program in favor of another.
- (2) Combining of two or more providers who propose to continue operating a group home program(s) but to change the administrative or corporate structure which was characterized to the Department at the time the rates for the most recent fiscal year were established.
- (3) Assuming operation of a group home program which was formerly operated by another provider.

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.436 The rate following a program change by the type of changes shall be:

- (a) For the RCL which is not changing:
 - (1) For an increase in licensed capacity, except as specified in .431(a)(1)(A), the rate shall be the lesser of:
 - (A) The existing rate prior to the program change; or
 - (B) The standard rate for its RCL.
 - (2) For any decrease in licensed capacity, the rate shall be the existing rate.
 - (3) For a change in the type of placement or staffing pattern, the rate shall be the existing rate.
- (b) For the RCL which is changing:
 - (1) For a decrease in RCL expected to affect the program for more than 90 days, the rate shall be the lesser of:
 - (A) The existing rate, or
 - (B) The standard rate for the new RCL.

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- (2) For an increase in the RCL, the rate shall be the greater of:
 - (A) The existing rate, or
 - (B) The rate floor for the new RCL.
 - (c) For changes affecting more than one group home program, as described in Section .435(c), the rate shall be determined by the Department based on the RCL for the program based on the data in the program change application submitted in compliance with Sections 11-402.431 and .432.
 - (1) The rate shall be the rate floor for the RCL resulting from the program change.
 - (d) Any program change to a group home program classified at RCL 13 or RCL 14 that impacts the program's RCL and/or substantially impacts the level of care and services offered by the program shall necessitate:
 - (1) A new determination by the IPC for each child in placement that the child is in need of the level of care and services provided by the group home program, and
 - (2) A new mental health treatment program certification as referenced in Section 11-400c.(2) for the program as modified by the program change.
- .437 Providers who have made a significant financial commitment to expand their current program prior to January 1, 1990 shall submit verifying documentation to the Department by October 1, 1990 to receive their existing rate.
- .44 Programs Classified at RCL 12 or Below Which Fail to Maintain the RCL
- .441 A group home provider who self-reports information in a rate application as defined in Section 11-400r.(1) that results in a failure to maintain its RCL shall be subject to the provisions of Section 11-402.443. For programs classified at RCL 13 or RCL 14 refer to Section 11-402.46.

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- .442 Providers with programs classified at RCL 1 through RCL 12 which fail to maintain the projected RCL shall submit the information required by Section 11-402.432 unless:
- (a) The RCL is expected to return to the RCL approved by the Department for the current fiscal year by the end of 90 days, and
 - (b) The average fiscal year RCL will not be affected by the temporary decrease.
- .443 The Department shall verify the self-reported information submitted in accordance with Section 11-402.441 by a group home provider that the program has failed to maintain the RCL as defined in Section 11-400f.(1) and set a new rate based on the new information provided.
- .444 The effective date of the new rate shall be the date at which the program failed to maintain the previously approved RCL.
- .445 Programs for which the actual average RCL is lower than the RCL upon which the rate was established shall be subject to the provisions in Section 11-402.55, Corrective Action, and .6, Overpayments.
- .45 Program Reinstatement
- .451 A program reinstatement is a process to re-establish a program that has been terminated as specified in Section 11-402.39, 11-402.524, 11-402.525, 11-402.526, 11-402.527, 11-402.667, 11-402.668, 11-402.669, and 11-402.7. A program shall be reinstated when the Department determines that all appropriate application requirements specified in Sections 11-402.3 and 11-402.667 have been met. For programs classified at RCL 13 and RCL 14, all requirements as specified in Section 11-402.181 must be met.
- .452 The effective date of the rate is the date of the Department's written notification of reinstatement to the provider.
- .453 The rate shall be set, based on the RCL for the fiscal year, at the lesser of:
- (a) The existing rate prior to termination, or

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- (b) The floor rate of the RCL in which the program is reinstated.

.46 RCL 13 and RCL 14 Programs Reclassification

.461 If a group home program classified at RCL 13 or at RCL 14 fails to meet the requirements specified in Section 11-402.181 during any 90-day period, the Department shall:

- (a) Reclassify the group home program at the appropriate lower RCL; and

- (b) Reduce the group home program's rate.

.462 The effective date of the new rate shall be the date conditions in Section 11-402.181 occur.

- (a) A period longer than 90 days shall not be used to average the RCL.

.463 Penalties for failure to meet the requirements in Section 11-402.181(b) are specified in Sections 11-402.183(d), and 11-402.531(c).

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.464 Welfare and Institutions Code Sections 11462(g)(8) through (g)(9) as amended by Assembly Bill 1727 (Chapter 610, Statutes of 1991) are summarized as follows:

- (a) For an audit of Fiscal Year 1991-92 conducted prior to July 1, 1992, any group home program classified at RCL 13 or RCL 14 which fails to meet the requirements to be classified at RCL 13 or RCL 14, will be reclassified at the appropriate lower RCL with a commensurate reduction in rate when any of the following occur:

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- (1) The group home program fails to maintain the level of care and services necessary to generate the requisite number of points for RCL 13 or 14.
- (2) The group home program fails to maintain a certified mental health treatment program as required.
- (3) The group home program accepts placement of a child who has not been certified, and the lack of certification is discovered during a group home program audit conducted prior to July 1, 1992.
- (b) The effective date of any such reclassification and reduction in rate shall be the date of occurrence of any of the conditions cited above.

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.5 Program Audits

- .51 The Department shall conduct full or partial program or fiscal audits of any program, as often as necessary, to ensure compliance with all requirements within this section. The Department shall audit the documents submitted with the rate application request and the actual program projected in the rate application and any supporting documentation used to prepare the rate application. The scope of a program audit shall focus on the hours and weightings of workers in each of the three program components and Direct Contact Contracts. Audits shall be conducted at the group home site, within the Foster Care Rates Bureau (FCRB) office or other sites as determined appropriate by the FCRB. The Department shall provide the group home program 30 calendar days written notice prior to conducting a program or fiscal audit.
- .511 The Department may conduct a program audit earlier than the normal schedule at a provider's request in order to reduce or minimize an overpayment.